



**MINUTES OF SPECIAL JOINT MEETING OF THE
CITY COUNCIL/REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD**

City Council Chambers

777 B Street, Hayward, CA 94541

Tuesday, January 7, 2003, 8:00 p.m.

MEETING

The Special Joint Meeting of the City Council/Redevelopment Agency was called to order by Mayor/Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Hilson.

ROLL CALL

Present: COUNCIL/RA MEMBERS Jimenez, Hilson,
Rodriguez, Ward, Dowling, Henson
MAYOR/CHAIR Cooper
Absent: None

PRESENTATION: Business Recognition Award

The City of Hayward presented the first Business Recognition Award of 2003 to AdMail Express, Inc. AdMail started in Burlingame in 1973 and relocated to Hayward in 1985. It occupies a 76,000 square foot facility. Since 1973, AdMail's sales have increased from \$350,000 to \$6 million in 2003 with a work force that grew from 3 to 70 employees. Many AdMail employees are Hayward residents. AdMail is Northern California's most complete direct mail service. They provide pre-press, printing, bindery, and database management. AdMail also provides various postal functions, including mail processing, personalized mail, and mail tracking and delivery confirmation. AdMail contributes to Hayward's economy through sales and employment opportunities. An industry leader, AdMail is ranked as one of the largest in-house direct mail processors in California. In addition, AdMail's efforts directly benefit many of the neediest members of our community and help to improve the quality of life in Hayward by contributing to Hayward's Emergency Shelter Program, Victory Outreach, the Hayward Rotary Foundation, and Hayward Shakespeare in the Plaza. Mr. Brian Schott, AdMail President, accepted the award and thanked the Mayor and City Council for this recognition.

PUBLIC COMMENTS

Jason Moreno commented on property owners whose homes are not recognized by the Council because their homes have cyclone fences in the front yards.

Barbara Swarr commented on a recent newspaper article regarding redevelopment, low and moderate funding, and budget impacts to cities' general funds.

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Mark Manalo, representing the Eden Youth Health Advisory Council (EYHAC), spoke against Target stores obtaining a license to sell alcohol. He cited various reasons, including, Target employs teenagers, the store layout would make for easy access to shoplifting alcohol. He asked that a discussion be placed on a future council agenda.

Michael Temado, also from EYHAC and a Tennyson High School student, spoke against the issuance of a license to sell alcohol by Target. He noted an over concentration of alcohol sales with eight businesses already selling in that census area. This census tract also has a high crime rate.

Madeline Harrington, also from EYHAC and attends Moreau High School, spoke against the Planning Department's approval of the license to Target. She asked the Council to listen to the community.

Council Member Dowling asked for more information on this from staff and it was noted that a report would be included in the Council's Weekly Report.

CONSENT

Consent Items 5, 6 and 7 were removed for further discussion.

1. Approval of Minutes of the City Council Meeting of December 17, 2002

It was moved by Council Member Ward, seconded by Council Member Rodriquez, and unanimously carried to approve minutes of the City Council Meeting of December 17, 2002.

2. Police Building Youth and Family Services Bureau Addition: Award of Contract

Staff report submitted by Deputy Director of Public Works/Engineering Bauman, dated January 7, 2003, was filed.

It was moved by Council Member Ward, seconded by Council Member Rodriquez, and unanimously carried to adopt the following:

Resolution 03-001, "Resolution Awarding Contract to Zolman Construction & Development, Inc. for the Police Building Youth and Family Services Bureau Addition, Project No. 6901"

3. Hesperian Boulevard Fiber Optic System: Approval of Plans and Specifications, and Call for Bids

Staff report submitted by Deputy Director of Public Works/Engineering Bauman, dated January 7, 2003, was filed.



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It was moved by Council Member Ward, seconded by Council Member Rodriquez, and unanimously carried to adopt the following:

Resolution 03-002, "Resolution Approving Plans and Specifications for the Hesperian Boulevard Fiber Optic System Project, Project No. 6834 and Call for Bids"

4. Acceptance of State Grant from Department of Alcohol Beverage Control

Staff report submitted by Deputy Chief of Police Houghtelling, dated January 7, 2003, was filed.

It was moved by Council Member Ward, seconded by Council Member Rodriquez, and unanimously carried to adopt the following:

Resolution 03-003, "Resolution Authorizing the City Manager to Execute an Agreement with the Department of Alcohol Beverage Control (ABC) to Implement a Program to Reduce Underage Drinking and Alcohol Sales to Minors"

5. Downtown Sidewalk and Streetscape Improvements - Phase II: Award of Contract

Staff report submitted by Deputy Director of Public Works/Engineering Bauman, dated January 7, 2003, was filed.

Council/RA Member Jimenez questioned the time frame of the project, noting the completion date could impact potential holiday business. Council/RA Member Henson commented on the impact this project would do on traffic movement in the area. He also asked about the removal of the B Street banner and whether previously discussed plans to replace it with an arch are included in this project. Staff noted that the replacement was not included due to budget constraints.

It was moved by Council/RA Member Ward, seconded by Council/RA Member Dowling, and unanimously carried to adopt the following:

Resolution 03-004, "Resolution Approving Addendum No. 1 and Awarding Contract to JJR Construction, Inc., for the Downtown Sidewalk and Streetscape Improvements Phase II Project, Project No 6915"

DRAFT

Resolution 03-005, "Resolution Authorizing the City Manager to Execute Amendments to the Professional Services Agreement with Berryman and Henigar"

RA Resolution 03-01, "Resolution Authorizing the Executive Director to Execute a Loan and Repayment Agreement for the Downtown Streetscape Improvements Phase II Project, Project No. 6915"

Resolution 03-006, "Resolution Amending Resolution 02-087, as Amended, the Budget Resolution for Capital Improvement Projects for Fiscal Year 2002-03, Relating to an Internal Loan for the Downtown Sidewalk and Streetscape Improvements Phase II Project, Project No. 6915"

6. Confirmation of Appointments to the Route 238 Alternative Project Working Group

Staff report submitted by City Manager Armas, dated January 7, 2003, was filed.

Council Member Jimenez indicated that the "alternate" for this group is unnecessary. Discussion ensued and it was determined that having the alternate position remain would provide latitude to the process.

It was moved by Council Member Hilson, seconded by Council Member Ward, and unanimously carried to adopt the following:

Resolution 03-007, "Resolution Confirming the Appointment of Members to the Route 238 Alternative Project Working Group"

7. La Placita Park Improvements

Staff report submitted by Landscape Architect Carranza, dated January 7, 2003, was filed.

Council Member Jimenez asked what police or security measures would be added to maintain safety at the Park.

City Manager Armas said the strongest public safety measure is having the public alert to any possible security problems. He indicated that the residents in the area had committed themselves to maintaining alertness to any problems in the park.

It was moved by Council Member Jimenez, seconded by Council Member Hilson, and unanimously carried to adopt the following:



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Resolution 03-008, "Resolution Allocating Additional Funds in
Park Dedication In-Lieu Fees for the Renovation of La Placita
Park"

LEGISLATIVE BUSINESS

8. Revisions to the Rent Stabilization Ordinance

Staff report submitted by Assistant City Attorney Conneely, dated
January 7, 2003, was filed.

Assistant City Attorney Conneely provided a brief history of the City's ordinance since its adoption in 1983. She summarized the revisions. At the time of the adoption, there were over 9,000 units under the Ordinance, since then the number has diminished to slightly fewer than 2,000 units. The Costa-Hawkins Act restricted the number of units that can be placed under rent control. It also says, units sold separately are also exempt from rent control. Staff made revisions to conform the Ordinance to Costa-Hawkins, made some changes in the dollar amounts of improvements in order to allow a landlord to decontrol the unit. Staff is proposing threshold dollar amounts be increased. Some landlord groups have proposed lower amounts. Staff also added a section in the "Just Cause" eviction and section of the Ordinance.

Council Member Hilson commented that the Costa-Hawkins Act impedes affordable housing in the State and asked Assistant City Attorney Conneely if there have been any challenges to the Costa-Hawkins Act.

Assistant City Attorney Conneely cited one court case and said that so far it has withstood its scrutiny.

Council Member Henson referred to correspondence from apartment owners who proposed different figures from those proposed by staff.

City Manager Armas stated that he had discussions with these individuals and stated that it is simply a difference of opinion.

Assistant City Attorney Conneely noted that staff tried to strengthen some of the improvements in the Ordinance. She noted that there is a section that prohibits a landlord from retaliating against a tenant for exercising their rights under the Ordinance. She commented on the section, which gives landlords more capability to remove tenants who are engaged in illegal activity.

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Council Member Jimenez complimented the City Attorney's office for administering this Ordinance. He asked about the percentage allowed for an annual rental increase as stated in the new Ordinance.

Assistant City Attorney Conneely stated that it has been 5 percent for the past five years or more.

Council Member Dowling asked about the decontrol policy and discussed long-term tenancies.

City Manager Armas explained that under Costa-Hawkins, if a unit is voluntarily vacated it can be brought up to market value before being re-rented. He added that it is important to preserve the number of 3-bedroom units in the City.

Council Member Rodriguez added her disfavor regarding the regulations of the Costa-Hawkins Act, noting the number of people living in sub-standard housing and that is not being addressed.

Assistant City Attorney Conneely said she had seen nothing on the State level to redefine Costa-Hawkins.

Council Member Ward suggested that the City might be able to address these sub-standard units through the City's Rental Inspection Program. He then commented on staff plans to recommend an inclusionary zoning ordinance for affordable housing. He asked whether the number of units being decontrolled was increasing or decreasing. He also asked about the dollar value attributed to "substantial rehabilitation," and whether the \$200 figure was realistic in 2003. He then commented that staff might reconsider changing the amount along with a definition change in the future.

City Attorney O'Toole said that there were fewer units now being decontrolled than in the earlier years of the Ordinance.

Mayor Cooper opened the public hearing at 8:59 p.m.

Jason Moreno suggested the City provide tenants with tenants' rights notices. He commented that many people do live in fear because they do not know their rights.

Al Reynolds noted that the Ordinance did not address senior citizen issues and their limited budgets.

Mayor Cooper closed the public hearing at 9:05 p.m.

Council Member Henson explained that the State has placed severe restrictions on the City of Hayward due to passage of the Costa-Hawkins Act. As a result, the City is precluded from acting in many areas. He then commented on the low number of units that are still under control, which are less than 2,000 units. He added that the Council may have an opportunity to address this in another manner through the City's Rental Inspection Program.



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It was moved by Council Member Hilson, seconded by Council Member Henson, and unanimously carried to introduce and adopt the following:

Resolution 03-009, "Resolution Finding that the Repeal of the City's Existing Residential Rent Stabilization Ordinance and the Enactment of a New Residential Rent Stabilization Ordinance is Exempt from Review Under the California Environmental Quality Act"

Introduce Ordinance 03-__, "Ordinance Repealing Existing Residential Rent Stabilization Ordinance and Enacting a New Ordinance for Residential Rent Stabilization"

COUNCIL REPORTS

Council Member Dowling rebutted comments made earlier in the meeting by a public speaker. He indicated that homes from throughout the City had been honored with the Pride in Hayward Award and commented that most of the awards have gone to homes in the flatlands.

ADJOURNMENT

Mayor Cooper adjourned the meeting at 9:08 p.m.

APPROVED:

Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency

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